[Mr. K. George.]

Effect of enhanced Railway Fares.

93. MR. TRIVIKRAMAR VASUDEVAR: Will the Government be pleased to state the amount of the profit or loss, when compared with the previous year, from the Trivandrum-Shenkottah railway line for the period beginning with the date of increasing the fares?

MR. R. KRISHNA PILLAI: This information is not available as the accounts relating to the period after increasing the fares have not yet been received.

Shenkottah-Quilon Railway Loan.

94. MR. N. PADMANABHA PILLAI: (*a*) Will the Government be pleased to state the nature of the liability of Rs. 119 lakhs mentioned in paragraph 5, page 3, of the Financial Secretary's speech introducing the budget estimate for 1098 in the Legislative Council?

(*b*) Does this not represent the loan raised in England?

(*c*) What was the rate of interest guaranteed for this loan when it was raised?

(*d*) Is it a fact that this State has since had to pay interest at a higher rate? If so, why?

(*e*) Is it a fact that, in September 1919, the value of this security fell in the English market to £ 79 and the exchange rate to Rs. 6-as. 14?

(*f*) If so, why was that opportunity not availed of to redeem the debt, seeing that the whole liability of Rs. 119 lakhs could have been discharged with about a quarter of that amount?

(*g*) Will the Government be pleased to avail themselves of such favourable opportunities to redeem the debt with the sinking fund created for the purpose?

MR. K. GEORGE: (*a*) The liability at the close of the 31st March, 1922, was about Rs. 132½ lakhs, inclusive of about Rs. 13¾ lakhs spent on rolling stock in the previous half-year. This is the expenditure incurred on the Shencottah-Quilon line up-to-date.

(*b*) The liability consists of (1) the debenture loan of £ 29,517 bearing interest at 6½ per cent, (2) the debenture loan of £ 49,149 bearing interest at 6½ per cent. since renewed at 4½ per cent. for two years; (3) the debenture loan of £ 2,87,125 bearing interest at 6 per cent; and (4) the advance of about Rs. 76 lakhs made by the Secretary of State.

(*c*) The debenture loans were first issued by the Home Board of the South Indian Railway Company at 3½ per cent interest under the guarantee of the Government of India, the State agreeing to underwrite the guaranteed interest on the cost of constructing the line.

(*d*) When the loans were subsequently renewed by the Railway Company as they fell due, they had to be renewed at the rates then prevailing in the London market for such securities.

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